

FISCAL NOTE

SB 272 - HB 615

March 31, 2005

SUMMARY OF BILL: Requires use of a 136 system-level fiscal capacity model instead of a 95 county-level fiscal capacity model for funding through the BEP. Recommendation of this model is to be made by the BEP Review Committee in their annual report due on or before November 1, 2005. Funding through the BEP formula is to be based on the system-level fiscal capacity model beginning with the FY06-07 year.

ESTIMATED FISCAL IMPACT:

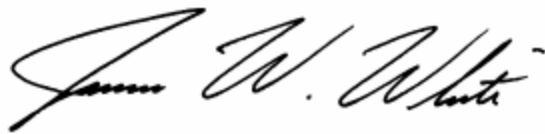
Other Fiscal Impact: Implementation of a system-level fiscal capacity model results in a shift of funding between school systems but does not result in the BEP generating any new state funding. However, LEAs that lose funds as a result of the shift would be required to either raise local funding to cover the loss or reduce local expenditures. Such increase/decrease in local government expenditures or increase/decrease in local government revenues cannot be reasonably determined but can be estimated to exceed \$1,000,000 statewide.

Assumptions:

- The overall impact to the state is estimated to be not significant.
- The impact between the school districts is estimated to be significant. Some school districts would generate large amounts of new state funding while other systems would lose large amounts of state funding.
- The system-level capacity model merely shifts funds between systems; the BEP does not generate any new state funding.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director